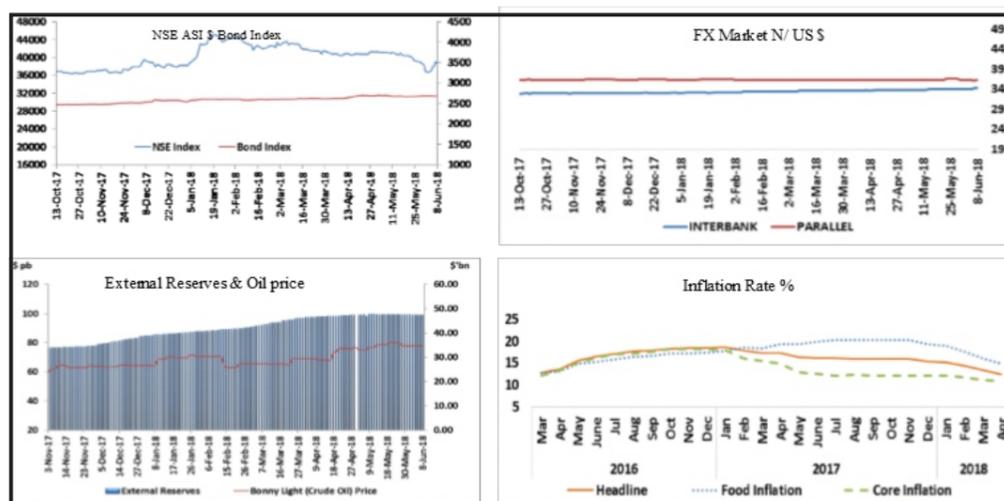


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

| Indicators | Current Figures | Comments |
|--|-----------------|---|
| GDP Growth (%) | 1.95 | Q1 2018 — lower by 0.11% compared to 2.11% in Q4 2017 |
| Broad Money Supply (M2) (N' trillion) | 24.52 | Increased by 0.90% in Apr' 2018 from N24.30 trillion in Mar' 2018 |
| Credit to Private Sector (N' trillion) | 22.25 | Decreased by 0.85% in Apr' 2018 from N22.44 trillion in Mar' 2018 |
| Currency in Circulation (N' trillion) | 1.96 | Increased by 17.31% in Apr' 2018 from N1.67 trillion in Mar' 2018 |
| Inflation rate (%) (y-o-y) | 12.48 | Declined to 12.48% in Apr' 2018 from 13.34% in Mar' 2018 |
| Monetary Policy Rate (%) | 14 | Raised to 14% in July '2016 from 12% |
| Interest Rate (Asymmetrical Corridor) | 14 (+2/-5) | Lending rate changed to 16% & Deposit rate 9% |
| External Reserves (US\$ million) | 47.44 | June 6, 2018 figure — a decrease of 0.34% from June start |
| Oil Price (US\$/Barrel) | 77.89 | June 8, 2018 figure — no change in one week |
| Oil Production mbpd (OPEC) | 1.79 | Apr' 2018 figure — an decrease of 0.44% from Mar' 2018 figure |



STOCK MARKET

| Indicators | Friday 08/06/18 | Friday 01/06/18 | Change(%) |
|------------------|--------------------|--------------------|-----------|
| NSE ASI | 38,669.23 | 36,816.29 | 5.03 |
| Market Cap(N'tr) | 14.01 | 13.34 | 5.04 |
| Volume (bn) | 0.21 | 0.52 | (59.36) |
| Value (N'bn) | 3.89 | 7.20 | (45.96) |

MONEY MARKET

| NIBOR | | | |
|---------|--------------------|--------------------|-------------------------|
| Tenor | Friday Rate (%) | Friday Rate (%) | Change (Basis Point) |
| | 08/06/18 | 01/06/18 | |
| OBB | 4.83 | 3.33 | 150 |
| O/N | 5.33 | 4.42 | 91 |
| CALL | 4.83 | 4.16 | 67 |
| 30 Days | 12.95 | 13.06 | (11) |
| 90 Days | 13.83 | 14.77 | (94) |

FOREIGN EXCHANGE MARKET

| Market | Friday (N/\$) | Friday (N/\$) | 1 Month Rate (N/\$) |
|----------------|------------------|------------------|------------------------|
| | 08/06/18 | 01/06/18 | 08/05/18 |
| Official (N) | 305.95 | 305.95 | 305.75 |
| Inter-Bank (N) | 341.64 | 340.75 | 339.00 |
| BDC (N) | 359.90 | 361.00 | 361.00 |
| Parallel (N) | 362.00 | 363.00 | 362.00 |

BOND MARKET

AVERAGE YIELDS

| Tenor | Friday (%) | Friday (%) | Change (Basis Point) |
|---------|---------------|---------------|-------------------------|
| | 08/06/18 | 01/06/18 | |
| 3-Year | 0.00 | 0.00 | 0 |
| 5-Year | 13.33 | 13.03 | 30 |
| 7-Year | 12.80 | 12.73 | 7 |
| 10-Year | 13.33 | 13.17 | 16 |
| 20-Year | 13.56 | 13.41 | 15 |

DISCLAIMER

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Market Analysis and Outlook: June 8 - June 15, 2018

Global Economy

In the Eurozone, GDP growth contracted to 0.4% in Q1 2018 from 0.7% in Q4 2017 as reported by Statistical office of the European Communities (Eurostat). The slowdown was driven by a negative contribution from external demand and contraction in manufacturing to -0.3% from 1.8%. However, there was a rise in growth of household consumption to 0.5% from 0.2%. Exports receded to 0.4% from 2.2% in Q4 2017 and imports declined slower at 0.1% from 1.5% in Q4 2017. In another development, according to Rida, China's trade surplus narrowed to \$24.92 billion in May 2018, a 62.56% decline from \$40.51 billion year-on-year. Import recorded a 26% rise depicting an all-time high of \$187.95 billion. This increase was spurred by imports of commodities, copper, iron ore and soya beans while exports increased at a slower rate of 12.7% to settle at \$212.87 billion in May 2018 from 12.7% the previous month. U.S. remained the top trading country to China while China recorded the biggest trade deficit of \$11.3 billion with Taiwan. Elsewhere in Japan, the economy eased to 0.2% in Q1 2018 from 0.3% in Q4 2017. This marks the first shrink in GDP growth quarter-on-quarter after nine quarters of expansion, ending the longest period of uninterrupted growth in 28 years. In the analysis by the cabinet office, there was negative contribution majorly from private investment, demand and consumption while exports recorded a slower growth at 0.6% from 2.2% and imports 0.3% from 3.1% respectively in the previous period. On the other hand, government consumption increased by 0.1%.

Local Economy

The total value of Nigeria's merchandise trade in Q1 2018 was N7.21 trillion. This represented a growth of 19.74% from the figure recorded in Q4 2017 (N6.02 trillion) and a 35.07% increase over the figure in Q1 2017 (N5.34 trillion). According to the newly released foreign trade report by the National Bureau of Statistics (NBS), the growth was induced by an increase in export. Total exports value stood at N4.69 trillion resulting in a significant increase of 20.02% over Q4 2017 and 56.01% over Q1 2017. However, total imports value rose to N2.52 trillion which was 19.22% higher than Q4 2017 (N2.11 trillion) and 8.04% higher than Q1 2017 (N2.33 trillion). Exports were oil dependent in Q1 2018, with crude oil value recording N3.58 trillion and it remained the top export commodity (76.3% of total exports). Nigeria's major exporting trade partners were Netherlands (20.5%), India (18.2%), Spain (8.3%), United States (8.2%), and France (6.3%). The nation's major importing trade partners were China (21.1%), Netherlands (12.1%), Belgium (10.6%), United States (6.5%), and India (6.3%). In a separate development, the Central Bank of Nigeria (CBN) is set to begin the sale of Chinese currency to authorised dealers at bi-weekly bidding sessions. This follows the agreement signed by the CBN with the People's Bank of China (PBoC) to facilitate trade between China and Nigeria. All authorised dealers shall be mandated to open renminbi accounts with a corresponding bank and advise the CBN with its renminbi account details which may either be with a bank onshore or offshore China. Importers intending to import from China shall also obtain a proforma invoice denominated in renminbi as part of the documents required for the registration of Form M. Foreign exchange purchased via this channel shall not be used for payments on transactions in which the beneficiaries are not in China. According to the apex bank, authorised dealers shall not open domiciliary accounts in renminbi for customers. For the purpose of this regulation, authorised dealers shall be deposit money banks and merchant banks. The renminbi sales shall only be applicable to trade-backed transactions. Authorised dealers are also required to utilize funds within 72 hours from the value date, upon expiration of this date, such funds must be returned to the apex bank for repurchase at the bank's buying rate.

ACCESS BANK NIGERIAN GOV'T BOND INDEX

| Indicators | Friday (%) | Friday (%) | Change (Basis Point) |
|------------------------|---------------|---------------|-------------------------|
| | 08/06/18 | 01/06/18 | |
| Index | 2,681.09 | 2,687.37 | (0.23) |
| Mkt Cap Gross (N'tr) | 9.15 | 9.17 | (0.23) |
| Mkt Cap Net (N'tr) | 5.93 | 5.97 | (0.60) |
| YTD return (%) | 9.15 | 9.40 | (0.25) |
| YTD return (%) (US \$) | -46.16 | -45.90 | (0.26) |

TREASURY BILLS (MATURITIES)

| Tenor | Amount (N' million) | Rate (%) | Date |
|---------|------------------------|----------|-------------|
| 91 Day | 4,960.59 | 10.2557 | 30-May-2018 |
| 182 Day | 24,802.94 | 10.8576 | 30-May-2018 |
| 364 Day | 19,842.35 | 12.3554 | 30-May-2018 |

Stock Market

The equity segment of the Nigerian Stock Market advanced after five consecutive weeks of

downward trend. Investors remained bullish on a number of stocks as stock prices appreciated. The All Share Index (ASI) rose by 1,852.94 points or 5% to settle at 38,669.23 points from 36,816.29 points the prior week in line with market capitalization which showed an uptick by 5% to N14.01 trillion from N13.34 trillion the previous week. This increase was due to bargain hunting on stocks especially in the consumer goods, financial services and oil and gas sectors. This week, we expect the stock market to continue on a positive note.

Money Market

Cost of borrowing at the money market marginally increased last week as a result of illiquidity in the system. The tight liquidity was as a result of the Retail Secondary Market Intervention Sales (SMIS) that took place last week. Short-dated placements such as Open Buy Back (OBB) and the Over Night (O/N) rate rose to 4.83% and 5.33% from 3.33% and 4.42% respectively the previous week. Longer tenured interbank rates, such as the 30-day NIBOR finished higher at 12.95% from 13.06% while the 90-day NIBOR slid to 13.83% from 14.77%. This week, we expect an upsurge in rates as a result of expected Wholesale Secondary Market Intervention Sales (SMIS).

Foreign Exchange Market

The exchange rate swayed in different directions last week. The interbank window slightly depreciated at N341.64/\$ from N340.75/\$ representing a drop of 89 Kobo. The parallel market appreciated marginally by 0.28% to N362/\$ from N363/\$. The local unit however remained unchanged at the official market which stood at N305.95. The appreciation and stability seen in the parallel and official market is attributable to the Central Bank of Nigeria (CBN) increase in sales to Bureau De Change (BDCs) and banks for the Hajj. This improved supply and also kept rates stable. This week, we expect the naira to remain stable as CBN interventions prove to keep the currency stable.

Bond Market

Bond yields ticked higher last week driven by increased supply by counterparties. Yields on the five-, ten- and twenty- year debt papers settled at 13.33%, 13.33% and 13.56% from 13.03%, 13.17% and 13.41% respectively the preceding week. The Access Bank Bond index fell by 6.28 points or 0.23% to close at 2,681.09 points from 2,687.37 points the previous week. This week we expect bond yields to fall due to increased market demand.

Commodities Market

Oil prices declined in the week ended June 8, 2018. This stemmed from U.S. increased oil supply outweighing the inability of Venezuela to meet its oil exports obligations. Organisation of the Petroleum Exporting Countries (OPEC) crude oil price fell marginally by 2.06% to \$73.62 from \$75.17 per barrel. However, Bonny light, Nigeria's benchmark crude remained stable last week at \$77.89 per barrel. Precious metals increased as U.S. dollar weakened as well as lower treasury yields from Italy's economic debt uncertainty. Gold price inched up slightly to \$1,298.92 per ounce from \$1,298.02 per ounce, representing a 0.07% increase from the previous week. In the same light, Silver rose to \$16.72 from \$16.43 per ounce. Oil prices may fall this week due to increasing U.S. oil production and less demand from China. The direction of the dollar will determine the movement of prices for precious metals this week.

MONTHLY MACRO ECONOMIC FORECASTS

| Variables | Jun'18 | Jul'18 | Aug'18 |
|---------------------------------|--------|--------|--------|
| Exchange Rate (Official) (N/\$) | 340.80 | 341.00 | 341.02 |
| Inflation Rate (%) | 11.89 | 11.50 | 10.80 |
| Crude Oil Price (US\$/Barrel) | 75.2 | 75.9 | 76 |